

Capital Improvement Plan

The Adopted 2000-2009 Capital Improvement Program (CIP) is presented to the Mayor and City Council as a separate document, concurrently with the operating budget. The capital program represents a projection for infrastructure construction and reconstruction over the next decade.

HIGHLIGHTS. The schedule of new capital projects represents the efforts of the City to address critical infrastructure needs based on evaluations of:

- ◆ Need for new capital construction to support community growth and development,
- ◆ Existing infrastructure reconstruction requirements,
- ◆ Capital investments necessary to improve services to the public,
- ◆ Coordination with available federal/state grant funding, and
- ◆ Local financing capabilities based on prior City Council policy determinations, including designated mill levy support (approximately 10 mills) and use of local sales tax revenues.

CIP Development and Capacity Forecasting. The development of the Capital Improvement Program is coordinated by the CIP Administrative Committee, which includes senior staff from City departments. The process includes:

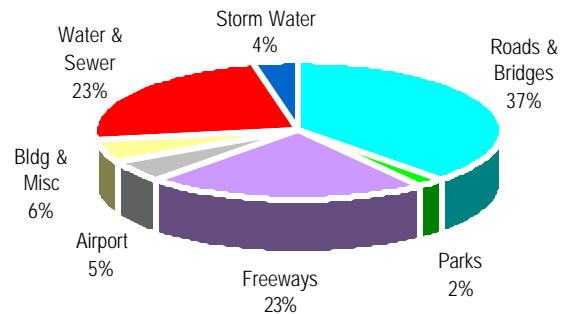
- Confirmation of existing debt obligations and funding sources required to defray these costs.
- Verification of all open/outstanding capital projects which require future debt financing.
- Projection of revenues and expenditures on a multi-year basis, first to meet existing debt obligations and then to project debt financing capacity for new capital project costs, and
- Proposals for future capital project costs based on the past CIP and Staff's understanding of City Council and community needs to the extent that those future project costs can be sustained given projections of the revenue stream and debt capacity.

The Capital Improvement Program. The Adopted CIP meets existing debt service obligations as well as future debt obligations for current capital projects and new capital projects approved for 2000-2009. The 2000-2009 Capital Improvement Program exceeds \$1.3 billion over the ten-year period.

The City's capital program is diverse in meeting capital needs for new and reconstructed roadways, parks, public facilities, infrastructure for new residential development, downtown development, public transit, and City enterprises (water, sewer, storm water, airport and golf). The bi-annual Capital Improvement Program includes hundreds of projects, including capital projects

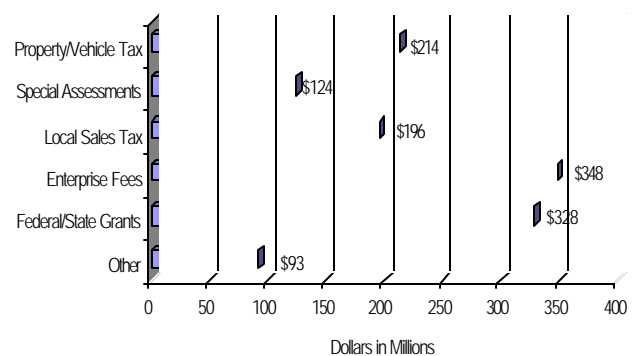
initiated in prior years, and new projects proposed over the next ten years.

2000-2009 Capital Improvement Program
\$1,302,599,000



Revenues to finance the CIP are shown below. The property tax provides 16 percent of the financial resources. Another significant revenue source is federal/state grants (25 percent of the total). New residential development capital costs are paid from special assessments (10 percent). The City's enterprise activities (water, sewer, storm water, airport, and golf) fund capital projects through fees constituting 27 percent of total CIP financial resources. Local Sales Tax funding of 15 percent of the proposed CIP is based on a projection of freeway (Kellogg) construction segments in both east and west Wichita.

CAPITAL IMPROVEMENT PROGRAM
2000-2009 REVENUES
\$1,302,599

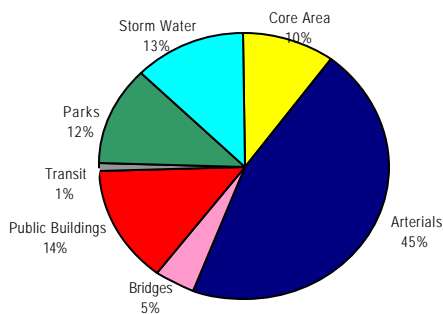


The City finances capital projects in a variety of ways: general obligation bonds/notes, revenue bonds, grants, and cash. The most significant of these is general obligation (GO) bonds based on the full faith and credit of the City. GO bonds provide debt financing not only for property tax funded projects, but for capital projects with debt paid by enterprises (e.g., Airport, Golf, Storm Water) and special revenues (e.g., Guest Tax). Based on

generally accepted accounting principles, the debt service payments for GO debt are spread either to the Debt Service Fund or the various enterprise and internal service funds, as appropriate.

The project types that rely primarily upon property taxes for GO bond repayment are arterial streets, bridges, parks, transit, core area projects, and public buildings. For the first time, storm water projects are funded with property tax backed GO bonds. Other capital project costs are funded through various enterprise, internal service, and special revenue funds. The chart below details property tax backed general obligation expenditures for the 2000-2009 CIP.

**GO AT-LARGE CAPITAL PROJECTS
2000 - 2009 EXPENDITURES
\$214,194,000**

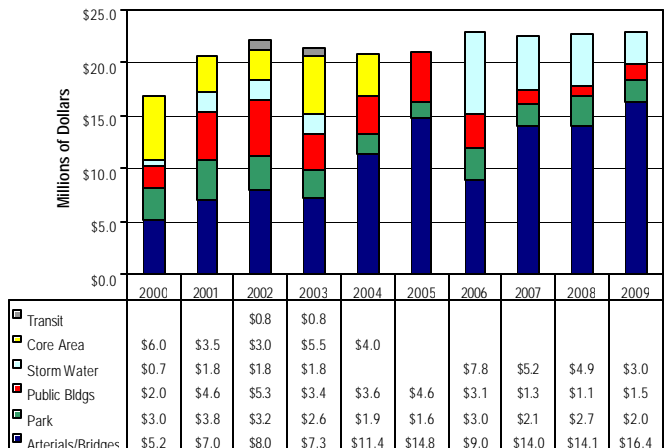


Highlights of Capital Improvement Program Areas.

Arterials/Bridges. Combined, arterials and bridges account for 50 percent of at-large capital spending and encompass 108 projects. \$107 million in local resources is used to leverage \$180 million in state and federal funding. The arterial infrastructure improvements are concentrated in two areas: along the edges of the City, in the projected growth path; and in the reconstruction of many of the major streets within the City, continuously revitalizing the urban core. The design (\$1 million) and construction (\$20 million) of one bridge over the floodway in west Wichita is included the purpose of the design is to assist in the determination of the best location for the bridge construction.

Parks. Park projects account for \$26 million of at-large spending, spread over 44 projects throughout the City. Funds for park renovation, land acquisition, and new park developments are included. Highlights of the Park capital program include developing the Northeast and Southlakes sports complexes, rehabilitating Riverside Park, and significant investments in maintenance of existing parks.

**GO AT-LARGE CAPITAL PROJECTS
EXPENDITURES BY YEAR**



Public Buildings. Public buildings include 23 projects and more than \$30 million in at-large resources. Other funding sources increase total planned expenditures to over \$38 million in the public buildings category. Major projects include renovation of the Farm & Art Market in Old Town, a new South Regional Library, the Fire apparatus replacement program, expansion of the City's maintenance facilities, and \$6 million for fire station construction and relocation.

Core Area. Core area projects continue to demonstrate the City's commitment to the vitality of the downtown area. Core area project funding totals \$19 million, \$15 million from at-large resources. Renovation of the Art Museum, creation of a gateway to the museum district, and riverbank improvements are included in this category.

Transit. Transit at-large capital costs are reflected in the planned purchase of replacement trolleys, at a cost of \$1.6 million. Other transit capital funding of \$8.5 million for bus replacements is planned using a combination of Transit revenues and Federal funds.

Storm Water. Storm water projects are funded by at-large capital for the first time. Capital projects have been funded by revenues from the Storm Water Utility. At-large funding totals \$27 million, while utility and other sources fund an additional \$21 million in capital projects. The additional at-large funding will allow flooding streets and properties to be addressed with systems that will alleviate or eliminate flooding. Several of the storm water projects will allow road improvements that were not previously possible due to lack of proper drainage systems.

A number of other capital project categories are financed primarily through non-property tax backed sources. Financing for these improvements is primarily provided by enterprise revenues, local sales tax dollars, or State and Federal grant dollars.

Freeways. The freeway program totals \$295 million, \$151 million of which is funded by a one-percent local sales tax (LST). The 2000-2009 CIP includes upgrading Kellogg/U.S. 54 to freeway standards and installing interchanges at the following intersections: Woodlawn, Rock, Webb, and Greenwich on the east; and Tyler and Maize on the west. The freeway program is very aggressive, and relies on State, Federal, and County funding assistance to complete these projects within a ten-year period. Additionally, funds are included for opportunity right-of-way purchases at 119th West, 135th West, and 151st West.

The other component of the freeway program is the upgrade of three substandard interchanges on Interstate I-235, at Kellogg, Central, and K-254, respectively. The City is requesting assistance from the Kansas Department of Transportation on these projects.

Railroads. The railroad component of the CIP totals over \$84 million. Funding is provided from the negotiated settlement with the Union Pacific and monies from the State and Federal governments. Projects will include grade separations at Pawnee/Union Pacific, Pawnee/Burlington Northern Santa Fe, the Central Rail Corridor from Douglas north to 18th Street, and the design of grade separations at 21st Street. Construction is scheduled to begin in 2002 on Pawnee and in 2003 on the Central Rail Corridor.

Airport. The Airport CIP consists of 77 projects totaling \$63 million, primarily funded by Airport revenues (\$19 million) and Federal funds (\$38 million). Projects are identified for both Mid-Continent and Jabara airports. Major projects include a parking structure at Mid-Continent and reconstructed aprons and taxiways.

Water/Sewer. The Water capital plan totals \$215 million. In addition to significant infrastructure maintenance and extension, over \$22 million is programmed for improved transmission and storage facilities in the northeast and northwest sectors of the City.

Additionally, a second water treatment plant is planned for northwest Wichita. Implementation of the future Water Supply Plan (\$68 million) is also included in the 2000-2009 CIP. Finally, a Master Plan is under development to study future needs, which may include further expansion of plant facilities.

Planned Sewer capital projects total \$91 million. Highlights of the Sewer CIP include the construction of a sewer plant in the northwest area of the City (\$7.8 million) and improvements to existing treatment plant #2 (\$8.6 million). A major investment is also made in a sewer main replacement program (\$44 million), to reconstruct an aging infrastructure. Implementation of the Water and Sewer capital projects plans will require utility rate increases.

Conclusion. The Staff worked diligently to craft a Capital Improvement Program based on known policy parameters of the City Council, as well as an understanding of the community's desire for a balanced capital plan which addresses a wide diversity of City infrastructure needs. Not all needs could be met:

- The Local Sales Tax, by itself, will not be sufficient to construct all elements of the community's planned freeway system.
- Storm Water projects, despite the addition of at-large funding, are below projections of critical needs.
- Funding is included for only one bridge over the floodway in west Wichita. Building more than one crossing would require that additional funds be identified.
- Funding for several major new parks is not included beyond initial preliminary design.
- Other capital projects (in all categories) could not be scheduled within the ten-year CIP.

The governing body has adopted the 2000-2009 Capital Improvement Program. Upon adoption, the 2000/2001 CIP became a capital budget for purposes of project initiation, with the remainder of the period (2002-2009) a CIP planning period. All operating costs related to projects contained within the 2000/2001 capital budget are incorporated into the operating budget.

**WATER/SEWER
CAPITAL EXPENDITURES**

